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Deptt. of Energy

#### NOTIFICATION

*The 31st August 2012*

#### RURAL ELECTRIFICATION PLAN

No.14/3769—In compliance with Section 3.4 of the Central Govt. "Rural Electricity Policy" and under the provisions contained in section 4 and 5 of the Electricity Act, 2003, the Government of Bihar hereby notifies the Rural Electrification Plan for the State to achieve the National goal for providing access to electricity for all rural households as per the provision under section-2 of National Electricity Policy.

This Plan will come into force from the date of its notification.

#### **1.0 Introduction**

1.1 The Electricity Act-2003, has accorded renewed priority to rural electrification and provision of electricity services in order to provide access to electricity to all. Keeping this in view, the state has identified rural electrification as major thrust area.

#### **1.2 Status of Rural Electricity Services in Bihar.**

Rural Electrification is a vital program for socio-economic development of rural areas. National goal of rural electrification is to provide access to electricity to all rural households, which will improve standard of living of rural populace apart from all-round development.

The definition of an electrified village has been specified under the Ministry of Power letter No.- 42/1/2001 D (RE) dated 5<sup>th</sup> February 2004 as given below: -

"A village will be classified as electrified based on a certificate issued by the Gram Panchayat, certifying that :-

- a) Basic infrastructure such as Distribution Transformer and Distribution lines are provided in the inhabited locality as well as a minimum of one Dalit Basti/Hamlet where it exists; and
- b) Electricity provided to public places like School, Panchayat Office, Health Centers, Dispensaries, Community Centers etc; and
- c) The numbers of households electrified are at least 10% of the total number of households in the village. "

In accordance with the aforesaid definition mentioned above, the present status of rural electrification in Bihar is as given in Table 1 to 2 (**Annexure-I**).

## **2.0 Objectives**

The National Rural Electrification Policy mandates the State Governments to prepare and notify a Rural Electrification Plan in accordance with the Rural Electrification Policy, 2006. This Rural Electrification Plan aims at: -

- (i) Providing access to electricity for all rural households.
- (ii) Making available reliable power supply.

## **3.0 Approach to Rural Electrification**

**3.1** For villages, intensive and robust distribution network having distribution voltage of 11000 Volts and 400 volts shall be developed and necessary infrastructure of distribution network such as sub-stations, distribution transformers, LT lines, etc. shall be provided. The development of infrastructures is to be ensured progressively through implementation of the schemes by the distribution licensee. Each of the electrified villages included in the plan shall include:-

- For this purpose, tolas/habitations of the census village will be treated as a unit.
- At least one Power Sub Station should be provided in each Block of various districts.
- The distribution network to cover the public places like School, Panchayat Office, Health Centres, Dispensaries, Community Centres, etc.
- The distribution network (11 KV, DSS & LT network) will run through the length & breadth of the villages so that connection can be given on demand.
- 3 Phase network will be provided to meet the requirement of irrigation and rural industries.
- Depending upon availability of fund for the purpose, districts and cluster of un-electrified/de-electrified and partially electrified villages will be chosen for full-scale electrification. The un-electrified/de-electrified tolas/habitations of the census villages will be electrified in full and partial electrification in villages done earlier will also be provided with full scale electrification.

## **3.2 Stand Alone Systems for Rural Areas**

The State has already notified the rural areas vide Energy Deptt; Govt. of Bihar notification no. 25 dated 17.11.2005 read with notification no. 26 dated 17.11.2005.

Govt. shall encourage the development of local stand alone system in the area where Grid connectivity would not be feasible or cost effective based on generation of electricity from the generators running on biomass, biogas, mini hydro, solar, etc. State Govt. shall facilitate such projects by giving quick clearances through administrative measures such as single window clearance with easy access for giving necessary approval in a time bound manner to fully utilize

- the potential of the local resources. This will cover those areas otherwise not being electrified from the grid power. The Nodal Agency for electrification of such villages will be Bihar State Hydroelectric Power Corporation (BSHPC).
- 3.3** Non-conventional sources of energy would be utilized even where grid connectivity exists provided it is found to be cost effective.
- 3.4** Electrification (service connection) of un-electrified Below Poverty Line (BPL) households would be financed with 100% capital subsidy as per norms of Kutir Jyoti Program in all rural habitations. Households above poverty line would be paying for their connections at prescribed connection charges and no subsidy would be available for the purpose.
- 3.5** The Govt. will strive for dedicated agricultural feeder for ensuring assured and quality supply for irrigation. This scheme features in the agricultural road map approved by Govt. of Bihar for 12<sup>th</sup> Five Year Plan.
- 3.6** Bihar State Electricity Board or its successor will be the nodal agency for rural electrification in the state except those covered under para 3.2. The District level monitoring committees as notified vide Energy Deptt., Govt. of Bihar notification no. 11 dated 06.07.2004 read with letter no. 2148 dated 09.05.2007 and 3388 dated 30.07.2007 shall monitor the progress on rural electrification and achievement of the various objectives of the plan in the districts.
- 3.7** Special efforts would be made to develop load by promoting economic activities with active involvement of consumers so that not only adequate revenue is generated to cover the cost of power supplied, O&M expenses and loan serving but also fund is generated for replacement of the assets in future without need for any capital subsidy. The State and the distribution licensee would facilitate coordination in policy and planning between electricity supply institutions and other sectors such as rural industries, food processing, cold chain and various economic services to promote such economic load development.
- 3.8** The state will make all possible efforts to provide daily supply of at least 6 hours of electricity in the rural areas.
- 3.9** The State will make required provision in the budget for fulfilling the subsidy requirement against supply of power to the subsidised consumers in the state, in consonance with section 65 of the Electricity Act 2003.
- 3.10** In order to maximize benefits from the limited resources available, it is essential that energy efficiency is promoted in the rural areas. Therefore, State will take steps for arousing awareness of electricity related issues including generation, distribution, energy conservation and energy efficiency and energy- water nexus among elected Panchayat representatives.
- 3.11** The use of Energy efficient lamps will be encouraged for lighting purposes. The State would evolve programs for encouraging use of economically viable energy efficient farm equipments, especially irrigation pump-sets, within the framework of the Energy Conservation Act 2001.
- 3.12** Special efforts for widespread use of information technology would be made for enhancing efficiency and reducing the cost.
- 3.13** The communities would be encouraged by substantive campaigning to take up local electricity distribution.
- 4.0** **Development of Infrastructure to meet the increased demand of Power**
- 4.1** The direct and indirect increase in demand for electricity as a result of rural electrification and progressive growth in power demand will necessitate augmentation of Generation, Transmission and Sub-transmission infrastructure.

- 4.2 The state shall endeavor to increase the installed capacity to meet the increased demand through establishment of a number of power plants in State sector and share from the Central Sector projects. Suitable provision shall be kept in the state budget for this purpose. For transmission of the required power from generating stations to the load centres, the State shall endeavor for erection of additional 400 KV, 220 KV, 132 KV, 33 KV transmission lines and substations.
- 4.3 Necessary strengthening of Sub-Transmission system will be done to cater to the additional load due to electrification of villages including requirement of electricity for agricultural purposes.
- 4.4 The State will avail the funding under various schemes of the Central Govt. for this purpose. For the activities, which cannot be covered under Central Schemes, the state will fund the same through budgetary support or from loans from the financial institutions and international agencies.
- 5.0 Management of Local Distribution in Rural Areas**
- 5.1 Deployment of franchisee for management of local distribution in rural areas will be taken up in order to ensure revenue sustainability and improved services to the consumers. Franchisees for the management of rural distribution could be Panchayati Raj Institutions, Non-Governmental Organizations (NGOs), users associations, co-operative societies or individual entrepreneurs.
- 5.2 The State Government would make special efforts to engage the Panchayati Raj Institutions for taking up on the responsibility of franchisee. Panchayati Raj Institutions may be awarded franchisee on nomination basis by the utility as per terms and conditions.
- 5.3 A franchisee would be responsible for distribution of electricity within an identified contiguous area for a prescribed duration and for collecting revenues directly from the consumers. The franchisee would also be responsible for meter reading, bill distribution, disconnection and reconnection and minor maintenance, etc. as provided in the terms & conditions.
- 5.4 Where local distribution, including activities of grid extension and undertaking of capital expenditure programs, has been handed over to Panchayat Institutions, users association, co-operative society or non-Government Organization, such persons will have the universal service obligation for the area of their operation and the supply obligation of the licensee, if any, in that area, would be residual i.e. taking timely action to ensure supply in case franchisee fails to discharge their contractual obligations.
- 5.5 A capacity building program of Panchayat Institutions, franchisees and consumer associations will be taken up in association with REC/Govt. of India.
- 6.0 Retail Tariff**
- Due to massive rural electrification in the state, there will be substantial increase in rural consumption. This will result in a dramatic change in the consumer mix of the utility which will have repercussions on the tariff. State will evolve an affordable tariff structure for identified categories of the consumers in association with the regulator, particularly for BPL households. The gap between the tariff so determined by the regulator and the affordable tariff for identified categories of the consumers will be bridged through appropriate provision in the state budget in consonance with the provisions under section 65 of the Electricity Act-2003.
- 7.0 Monitoring of Rural Electrification**
- The distribution licensee will have the basic responsibility towards achieving the targets of village electrification except the villages covered in para 3.2 and

implementation of various activities as mentioned in this RE Plan. District Committees with members from District Administration, elected representatives, Panchayat, Zila Parishads, consumer associations, distribution utilities, NGOs working in Power Sector and eminent persons having knowledge of power sector, etc. would co-ordinate and review the extension of electrification in the district, review the quality of power supply and consumer satisfaction and promote energy efficiency and conservation. The District Committee would also facilitate the Rural Electrification projects, both through stand alone systems as well as grid extension and local management of the projects, as may be required.

State level Co-ordination Committee under the Chairmanship of Chief Secretary will be formed for reviewing the progress of rural electrification work.

**8.0 Amendments to the Plan**

Based on the feedback and requirements, the Government will periodically review the progress and accordingly suitable amendments will be made in the Plan, as and when required.

**9.0 Legal Provision**

Section 6 of Electricity Act 2003 empowers the State to endeavor to supply electricity to all areas including villages and hamlets. Rural Electrification Policy notified by the Ministry of Power, Govt. of India provides for notification of Rural Electrification Plan by all the State Govts.

By order of the Governor of Bihar,  
AJAY NAYAK,  
*Principal Secretary,*  
*Deptt. of Energy.*

**Annexure-I****Table - 1 : Status of Village Electrification**

Sl. No.	Particulars	
1	Total number of inhabited Villages as per 2001 Census in the state	39,015
2	Total number of Villages partially electrified as on 31.03.2012	31,811
3	Total number of un- electrified inhabited villages as on 31.03.2012	7,204
4	Total no. of villages involved in serial no. 3 under partial electrification under RGGVY	4,693
5	Number of un-electrified inhabited villages to be electrified	2,511
(a)	Through grid connectivity (approx.)	1,862
(b)	Through other solutions (DDG, etc.) (approx.)	649

**Table - 2: Status of Electrification of Rural BPL Households**

1	Total number of Rural BPL Households as per latest survey	1,26,56,105
2	Total number of Rural BPL Households electrified as on 31.03.2012	21,41,914
3	Balance number of un-electrified rural BPL households as on 31.03.2012	1,05,14,191

N. B. :—The above figures are tentative and based on 2001 census unless otherwise specified.

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